

## Review of Marketing Channels and Supply Chain Management

1 Physical distribution as a marketing channel function involves:

- a) the development and dissemination of persuasive communications about the firm's offering.
- b) the searching out and communicating with prospective buyers.
- c) the assumption of risks in connection with carrying out the channel work.
- d) the transporting and storing of the goods \*
- e) acquiring and using funds to cover the costs of channel work.

2 Place decisions are relatively difficult to change because they involve relatively long-term commitments to other firms.

- a true \*
- b false

3. A major reason producers give some of the selling jobs to middlemen is the greater efficiency middlemen offer in making goods available to target markets.

- a true \*
- b false

4 A distribution channel is the set of firms and/or individuals that take title, or assist in transferring title to the particular good or service as it moves from the producer to the consumer.

- a true \*
- b false

5 A vertical marketing system (VMS) consists of the producer(s), wholesaler(s), and retailer(s) acting as a unified system. A vertical marketing system consists of independent firms at different levels of production and distribution who join together to obtain greater economies of scale or sales impact than they could achieve alone.

- a corporate
- b contractual \*
- c administered
- d conventional
- e horizontal

6 A one-level channel of distribution is also called a direct marketing channel.

- a true
- b false \*

- 7 In a zero-length marketing channel:
- a the manufacturer sells directly to the consumers. \*
  - b a wholesaler must be present.
  - c a retailer or wholesaler is between the producer and consumer.
  - d either (B) or (C)
  - e none of the above
- 8 From a producer's point of view, the problem of control decreases as the number of channel levels increases.
- a true
  - b false \*
- 9 Kevin Stiles is a farmer who sells his produce directly to a supermarket chain which in turn sells it to customers. This is an example of \_\_\_\_\_marketing channel system.
- a zero-length
  - b one-level \*
  - c two-level
  - d direct-level
  - e sub-level
- 10 The physical flow between the institutions making up a marketing channel describes the movement of physical products from raw materials to final customers.
- a true \*
  - b false
- 11 Demox is a small company that produces only scientific laboratory beakers. These beakers are an insignificant purchase for laboratories, since they are relatively inexpensive and are only a small part of a large supply of needed laboratory equipment. Which of the following would be the greatest obstacle to Demox's selling its beakers independently by itself?
- a lack of mass distribution economics \*
  - b a heterogeneous product assortment
  - c reduced contacts
  - d selective distribution
  - e either (B) or (D)
- 12 The main quality of a vertical marketing system (VMS) which differentiates it from a conventional marketing system is that the channel members act as a unified system.
- a true \*
  - b false

13 Christine Robert, a fashion designer and producer of women's fashions, sells her fashions through her own chain of boutiques (retail outlets). Christine Robert as the producer and retailer is an example of:

- a franchise organization.
- b corporate VMS. \*
- c administered VMS.
- d contractual VMS.
- e conventional VMS.

14 Multimarketing (dual distribution) occurs when a company uses more than one channel system to reach customers.

- a true \*
- b false

15 Which of the following is not one of the major criteria used to evaluate major channel alternatives?

- a economic criteria
- b promotion criteria \*
- c adaptive criteria
- d control criteria
- e both (B) and (C)

16 Middlemen play an important role in matching supply and demand.

- a true \*
- b false

17 When the Hotchkiss Wholesale Company was offered advertising allowances, premiums, and sales contests by their supplier, the supplier was attempting to motivate Hotchkiss in using the approach.

- a carrot-and-stick \*
- b partnership
- c distribution programming
- d intensive distribution
- e exclusive distribution

18 A typical physical distribution objective involves getting the right goods to the right places at the right time for the least cost.

- a true \*
- b false

19 \_\_\_\_\_ occurs when a single firm sets up two or more marketing channels to reach one or more customer segments.

- a Symbolic marketing
- b Horizontal marketing
- c Multimarketing \*
- d Megamarketing
- e VMS marketing

20 A properly designed physical distribution system will achieve the dual goals of maximizing customer service and minimizing distribution costs

- a true
- b false \*

21 Which of the following is not one of the key functions performed by members or marketing channels?

- a production \*
- b contact
- c promotion
- d financing
- e risk taking

22 The storage function is primarily concerned with achieving a match between production and consumption cycles.

- a true \*
- b false

23 \_\_\_\_\_ involved planning, implementing and controlling the physical flow of materials and final goods from points of origin to points of use to meet the needs of customers at a profit.

- a Production resources planning
- b Physical distribution \*
- c Integrated marketing
- d Vertical marketing
- e Multichannel marketing